

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF GTE CORPORATION)	
AND CONTEL CORPORATION FOR ORDER)	CASE NO.
AUTHORIZING TRANSFER OF UTILITY CONTROL)	90-278

O R D E R

IT IS ORDERED that GTE Corporation and Contel Corporation ("Joint Applicants") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record no later than 10 days from the date of this Order. If the information cannot be provided by this date, the Joint Applicants should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. The Merger Agreement and Plan of Reorganization state that the parent's acquisition of the Company will be treated as a pooling for accounting purposes. Provide the journal entries required to effect this transaction, noting specifically the impact on Kentucky books.

2. Provide all data on the projected economic impact of the merger in Kentucky during the next five years, such as number of jobs to be eliminated or created, change in the rate of investment in telephone plant, change in ratepayers' bills, spin-off effects, and research benefits.

3. Will the Kentucky operations of the Joint Applicants be merged as a result of this planned merger? If so, when? If not, explain why no such plan exists. Fully describe the impact of the merger on the Kentucky operations of each Joint Applicant.

4. What is the income tax effect of this acquisition of Contel Corporation by GTE Corporation? Will this effect the Kentucky operations?

Done at Frankfort, Kentucky, this 19th day of October, 1990.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director